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8/28/90

ALAMEDA COUNTY NUCLEAR FREE ZONE CHARTER AMENDMENT FISCAL IMPACT REPORT

6.6.90
A complete fiscal analysis of this measure's impact on County expenditures and revenues is not possible at this time because of unknown future actions of corporations, the Board of Supervisors, the Federal Government, and the Nuclear Free Zone Commission. Consequently, I cannot now determine its exact impact on net County cost. However, I can indicate those areas where a fiscal impact will likely occur and my best estimate of the associated expenditures and revenues.

EXPENDITURES

A potential annual increase to County expenditures in the range from \$663,000 to \$1,022,000 could result from the following:

- Departmental administrative costs to implement and maintain the various provisions of the measure including, but not limited to, support services to the Alameda County Nuclear Free Zone Commission, the transport of hazardous radioactive materials, and irradiated food labeling.
- Costs to develop peace curricula for schools, provide educational materials, and post nuclear free zone signs.
- Costs to develop and promulgate an educational program with regard to a Nuclear Free Zone Commemoration Day.

Additional costs may be incurred for goods and services because the County will be prohibited, except under specific conditions, from contracting with nuclear weapons makers or for their products by this measure. Based on current purchasing activity, these additional costs could range up to \$441,000. Capital item purchases such as computer equipment could significantly further increase the costs in any given year. This potential increase is not included in the estimated annual increase in expenditures. No estimate has been made of the potential health, social services and retraining costs that may be incurred to serve workers displaced by the closing or conversion of Lawrence Livermore, Sandia and Vallecitos Laboratories.

There are provisions in the measure that may be subject to litigation. Resolution of these provisions could result in additional cost to the County.

REVENUES

The County could realize net annual revenues in the range of an increase of \$106,000 to a decrease of \$260,000 from the following sources:

- Reduction in investment earnings resulting from limitations placed on investments with financial institutions that transact business with nuclear weapons makers.
- Potential loss of Federal grant revenue that involves planning to mitigate the affects of nuclear war.
- Increase in revenue from fees charged to transporters of hazardous radioactive materials.

Future property and sales tax revenues could be affected by Measure A. The extent of the fiscal impact it may have on these revenues is dependent upon unknown factors such as the influence it will have on individual and corporate decisions to locate within the County. An accurate analysis of the effect it may have on these tax revenues can not be made at this time.

This report has been prepared in accordance with the Election Code and, therefore, has been limited to the fiscal impact on County government. It does not address the affects of this measure on other local jurisdictions or on the overall economy of the County.

s/Patrick J. O'Connell
Auditor-Controller

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